

# Best Practices for Members to Prevent NSF's/Overdrafts

How do NSF's/overdrafts occur? When you write a check, withdraw money from an ATM, use your debit card to make a purchase, make an automatic bill payment or electronic payment for more than the amount in your share draft checking account, the credit union has the choice to either pay the amount or not. If it pays even though you don't have the money in your account, you may be charged an "overdraft fee" in addition to owing the overdraft amount the credit union advanced to honor your transaction. If the credit union returns your check without paying it, you may be charged a "nonsufficient funds" or NSF fee.

What is the best practice to prevent costly NSF's/overdrafts? Avoiding NSF/overdraft situations are the lowest-cost way to protect your hard-earned money. To help avoid NSF's/overdrafts, utilize the best practices listed below.

- **Know your balance.** Keep track of how much money you have in your checking account by keeping your account register up to date.
- **Keep an eye on your account balance.** Remember that transactions arrive at the bank using different channels and may not be processed in real time or in the order in which they occur. You can monitor your balance by using our Mobile App and Online Home Banking site. You can also set e-alerts to get a text or e-mail notification for various account activities and balance warnings. You may also visit an ATM to access your account balance.
- **Pay special attention to your electronic transactions.** Record your ATM withdrawals and fees, debit card purchases and online payments you may have set up for utilities or loan payments.
- **Know when your funds are available.** Many deposits are processed faster than ever, but larger checks or some electronic transfers may not appear until a couple of days later. Make sure you have enough money available in your account to pay your bills or purchases before you spend it.
- **Review your account statements each month.** Between statements, you can find out which payments have cleared and check your balance by actively using our Mobile App and Online Home Banking site. Also set e-alerts to get a text or e-mail notification for various account activities and balance warnings or you may visit an ATM to access your account balance.

By timely reviewing your periodic statement, you will be able to track what you pay each month and throughout the year for nonsufficient funds (NSF) fees and overdraft fees. Note: totals for nonsufficient funds fees and overdraft fees only appear in designated boxes on your periodic statement if there has been an occurrence of these fees.

- **If you do overdraw your account, get money back into your account as soon as possible.** Remember that you need to put enough money back into your account to cover both the amount of your overdraft and any fees.
- **Avoid using overdraft protection/courtesy pay on a regular basis**—it is a costly habit.
- **When the credit union is providing overdraft/courtesy pay services, the paying of NSF/overdraft items is a discretionary matter.** There is no guarantee that the credit union will cover any particular check, ATM withdrawal, debit card or other electronic transactions that overdraws your account. In other words, this type of coverage is not unlimited and is discretionary.